

## AGRICULTURAL MARKETING SERVICE

### FY 1999 ANNUAL PROGRAM PERFORMANCE REPORT

AMS activities are authorized under the: Agricultural Marketing Act of 1946; Cotton Statistics and Estimates Act of 1927; Tobacco Inspection Act of 1935; Commodity Promotion, Research, and Information Act of 1996; Organic Foods Production Act of 1990; 12 free-standing commodity specific research and promotion statutes; Agricultural Marketing Agreement Act of 1937; Egg Products Inspection Act; Perishable Agricultural Commodities Act of 1930; Food, Agriculture, Conservation and Trade Act of 1990; and Food Quality Protection Act of 1996.

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices, and promoting a competitive and efficient marketplace, to the benefit of producers, traders, and consumers of U.S. food and fiber products. This mission is carried out through eight broad activities that encompass a wide range of programs.

The eight activities in AMS are: (1) market news; (2) standards, grading, and shell egg surveillance; (3) market protection and promotion; (4) transportation services; (5) wholesale market development; (6) payments to states and possessions; the (7) Perishable Agricultural Commodities Act program; and (8) strengthening agricultural markets and producer income (Section 32). Approximately seventy-two percent of the funds needed to finance AMS activities are derived from voluntary user fees. AMS provides services for private industry, State, and Federal agencies on a reimbursable basis, primarily in connection with the commodity grading programs.

More information regarding AMS' programs can be found in the AMS Strategic and Annual Performance Plans. Only federal employees were involved in the preparation of this report.

The following table provides summary information on AMS' achievement of FY 1999 Performance Goals.

AMS PERFORMANCE SUMMARY			
Strategic Goal/ Management Initiative	FY 1999 Performance Goals	Performance	
		Target	Actual
Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.	MARKET NEWS - Improve market efficiency by reporting timely and accurate information: Percentage of Market News reports released on time	94%	90%
	GRADING - Maximize returns to producers and value to consumers: Weighted average grading cost per hundredweight, using constant (1990-92) dollar indexes on Prices Paid for Farm Services	\$0.08	\$0.08
	RESEARCH AND PROMOTION - Ensure legislative compliance without delaying research and promotion activities: Percentage of research and promotion board budgets and marketing plans approved within time frame goal	91%	91%
	PESTICIDE DATA PROGRAM - Gather pesticide residue data for use in resolving dietary health risk issues and to lessen international non-tariff trade barriers: Pesticide Data Program percentage of sampling and analysis goal	100%	100%
	PAYMENTS TO STATES AND POSSESSIONS - Provide matching funds to State agencies to conduct studies or initiate programs which address a wide range of agricultural problems and opportunities: The total dollar amount of grant requests received (millions)	\$3.7	\$3.5

AMS PERFORMANCE SUMMARY			
Strategic Goal/ Management Initiative	FY 1999 Performance Goals	Performance	
		Target	Actual
	COMMODITY PURCHASE SERVICES - Stabilize market conditions by purchasing surplus commodities and provide purchasing services to FNS for food assistance programs: Commodity Purchase Services administrative costs in constant dollars as a percentage of commodity purchases	1.2%	0.8%
Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.	SHELL EGG SURVEILLANCE - Facilitate the marketing of consumer grade eggs by assuring that quality levels are maintained: Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%
	PESTICIDE RECORDKEEPING - Monitor private applicators of Federally restricted-use pesticides: Percentage of Pesticide Recordkeeping sampling goal attained	98%	100%
	FEDERAL SEED ACT PROGRAM - Prevent misrepresentation of seed in interstate commerce: Percentage of suspected Seed Act violation cases that are completed	92%	90%
	PLANT VARIETY PROTECTION - Provide protection to developers of novel varieties of sexually reproduced plants: Percentage of Plant Variety Protection application processing goal completed	89%	100%
	PERISHABLE AGRICULTURAL COMMODITIES ACT - Suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities: Percentage of informal PACA complaints completed within time frame goal	85%	82%
	MARKETING AGREEMENTS AND ORDERS - Oversee and administer Marketing Agreements and Orders at the national level in a timely manner: Percentage of formal and informal rulemaking completed within internal time frames	85%	94%
MI 1: Create and Maintain a vital workforce with appropriate skills and characteristics to serve a diverse base of customers.	Increase representation of women, minorities, and people with disabilities by FY 2000: Employment goal	60.8%	51.9%
MI 2: Encourage and reward prudent financial stewardship, accountability, and improved business operations.	Convert AMS accounting records to the new USDA Foundation Financial Information System (FFIS) by the end of FY 2002	N/A	N/A
MI 3: Rapidly adopt and deploy appropriate, cost-effective technology.	Ensure that AMS technologies, including mission critical information systems, are certifiably Year 2000 compliant.	100%	100%

**Goal 1:** Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

**Objectives:**

- 1) Collect and disseminate time-sensitive agricultural market information for domestic and foreign markets and ensure the data reported is accurate and consistent with current and future market needs.
- 2) Provide cost-effective agricultural commodity quality grading/certification services whereby market efficiency is enhanced and consumer gains exceed the cost of the service.
- 3) Provide timely and cost-effective oversight of industry initiated and financed research and promotion programs.
- 4) Implement national organic production and labeling standards, and implement an accreditation and certification program using those standards.

**Key Performance Goals**

<u>MARKET NEWS - Improve market efficiency by reporting timely and accurate information:</u>	
Percentage of Market News reports released on time	
<b>Target:</b>	94%
<b>Actual:</b>	90%
<u>GRADING - Maximize returns to producers and value to consumers:</u>	
Weighted average grading cost per hundredweight, using constant (1990-92) dollar indexes on Prices Paid for Farm Services	
<b>Target:</b>	\$0.08
<b>Actual:</b>	\$0.08
<u>RESEARCH AND PROMOTION - Ensure legislative compliance without delaying research and promotion activities:</u>	
Percentage of research and promotion board budgets and marketing plans approved within time frame goal	
<b>Target:</b>	91%
<b>Actual:</b>	91%
<u>PESTICIDE DATA PROGRAM - Gather pesticide residue data for use in resolving dietary health risk issues and to lessen international non-tariff trade barriers:</u>	
Pesticide Data Program percentage of sampling and analysis goal	
<b>Target:</b>	100%
<b>Actual:</b>	100%
<u>PAYMENTS TO STATES AND POSSESSIONS - Provide matching funds to State agencies to conduct studies or initiate programs which address a wide range of agricultural problems and opportunities:</u>	
The total dollar amount of grant requests received (millions)	
<b>Target:</b>	\$3.7
<b>Actual:</b>	\$3.5
<u>COMMODITY PURCHASE SERVICES - Stabilize market conditions by purchasing surplus commodities and provide purchasing services to FNS for food assistance programs:</u>	
Commodity Purchase Services administrative costs in constant dollars as a percentage of commodity purchases	
<b>Target:</b>	1.2%
<b>Actual:</b>	0.8%

**1999 Data:** The 1999 data are final. AMS programs collect performance goal data based on internal operations and records. AMS program managers have certified the accuracy of the data submitted for this report. AMS program review staffs review the collection of performance data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect the data can be tracked and verified. AMS' Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They will be responsible for ensuring that the performance accomplishment data for agency level performance measures, especially those that include multiple agency components, can be verified and validated.

**Analysis of Results:** All programs under this strategic goal exceeded or met their performance targets, with only slight differences, all of which were within a reasonable tolerance. The FY 1999 annual performance plan contained additional performance indicators for these goals which are valuable internal program management tools. However, AMS analysis determined that the performance goals listed above adequately measure program performance for external reporting purposes and the indicators did not contribute appreciably to the measurement of program performance. The indicators were discontinued for FY 2000. See Appendix A for a listing of the discontinued indicators.

**Current Fiscal Year Performance:** Since FY 1999 performance has been satisfactory, only slight adjustments to the performance measures were necessary.

**Program Evaluations:** No strategic program evaluations were conducted.

**Goal 2:** Ensure fair and competitive agricultural marketing through marketing tools and regulations.

**Objectives:**

- 1) Reform the Milk Marketing Order Program pursuant to mandates of the 1996 Farm Bill.
- 2) Improve service to customers of the Perishable Agricultural Commodities Act (PACA) Program through modernization of licensing procedures and more timely handling of formal reparation complaints.
- 3) Increase knowledge of and compliance with Pesticide Recordkeeping requirements through the education of private, certified applicators of Federally restricted use pesticides.

**Key Performance Goals**

<u>SHELL EGG SURVEILLANCE - Facilitate the marketing of consumer grade eggs by assuring that quality levels are maintained:</u>	
Percentage of noncomplying shell egg lots that are reprocessed or diverted	
<b>Target:</b>	100%
<b>Actual:</b>	100%
<u>PESTICIDE RECORDKEEPING - Monitor private applicators of Federally restricted-use pesticides:</u>	
Percentage of Pesticide Recordkeeping sampling goal attained	
<b>Target:</b>	98%
<b>Actual:</b>	100%
<u>FEDERAL SEED ACT PROGRAM - Prevent misrepresentation of seed in interstate commerce:</u>	
Percentage of suspected Seed Act violation cases that are completed	
<b>Target:</b>	92%
<b>Actual:</b>	90%
<u>PLANT VARIETY PROTECTION - Provide protection to developers of novel varieties of sexually reproduced plants:</u>	
Percentage of Plant Variety Protection application processing goal completed	
<b>Target:</b>	89%
<b>Actual:</b>	100%
<u>PERISHABLE AGRICULTURAL COMMODITIES ACT - Suppress unfair and fraudulent practices in the marketing of perishable agricultural commodities:</u>	
Percentage of informal PACA complaints completed within time frame goal	
<b>Target:</b>	85%
<b>Actual:</b>	82%
<u>MARKETING AGREEMENTS AND ORDERS - Oversee and administer Marketing Agreements and Orders at the national level in a timely manner:</u>	
Percentage of formal and informal rulemaking completed within internal time frames	
<b>Target:</b>	85%
<b>Actual:</b>	94%

**1999 Data:** The 1999 data are final for activities under this goal. AMS programs collect performance goal

data based on internal operations and records. AMS program managers have certified the accuracy of the data submitted for this report. AMS program review staffs review the collection of performance data to ensure that the accomplishment data being collected is based on actual performance and that the system to collect the data can be tracked and verified. AMS' Compliance staff will include the review of performance measure data collection in any program review activities they conduct. They will be responsible for ensuring that the performance accomplishment data for agency level performance measures, especially those that include multiple agency components, can be verified and validated.

**Analysis of Results:** All programs under this strategic goal exceeded or met their performance targets, with only slight differences, all of which were within a reasonable tolerance. The FY 1999 annual performance plan contained additional performance indicators for these goals which are valuable internal program management tools. However, AMS analysis determined that the performance goals listed above adequately measure program performance for external reporting purposes and the indicators did not contribute appreciably to the measurement of program performance. The indicators were discontinued for FY 2000. See Appendix A for a listing of the discontinued indicators.

**Current Fiscal Year Performance:** Since FY 1999 performance has been satisfactory, only slight adjustments to the performance measures were necessary.

**Program Evaluations:** None conducted during FY 1999.

**Management Initiative 1:** Create and Maintain a vital workforce with appropriate skills and characteristics to serve a diverse base of customers.

#### Key Performance Goal

Increase representation of women, minorities, and people with disabilities by FY 2000.	
<b>Target:</b>	60.8%
<b>Actual:</b>	51.9%

**1999 Data:** The 1999 data are final, based on official NFC personnel reports. AMS collects performance goal data based on the official records.

**Analysis of Results:** Our analysis indicates that the fiscal year 1999 goal was overly ambitious based on an analysis of the last three years. In FY 1996 the percentage of women and minorities in the AMS workforce was 49.7%, in FY 1997 the percentage of women and minorities in the workforce was 50.5%, in FY 1998, 50.7% and in FY 1999, 51.9%. In addition, the goal was not met because AMS' permanent workforce has decreased by 186 employees since 1996 due to reductions in force, program relocations, and site consolidations necessary to maintain program efficiency and effectiveness.

**Current Fiscal Year Performance:** Based on the actual performance levels in fiscal year 1999, AMS has adjusted its performance goals for this initiative for fiscal year 2000 and 2001 to more realistic and realizable levels. The agency maintains its commitment to increasing representation of women, minorities, and people with disabilities in the workforce.

**Descriptions of Actions and Schedules:** AMS will strengthen agency efforts to improve its performance against this goal in order to maintain a vital workforce with appropriate skills and characteristics to serve our diverse base of customers.

To increase the number of employees with disabilities, the Disability Employment Program Manager, in partnership with Human Resources, will be assessing the Social Security data base Project Able to seek qualified applicants with disabilities. In FY 2000 AMS programs are sending their job announcements to

disability coordinators in over 850 colleges and universities throughout the United States. AMS will increase the number of students hired through the Workforce Recruitment Program for Students with Disabilities.

To increase the number of Hispanic employees, AMS has incorporated the Office of Personal Management's Hispanic Employment nine-point plan in our affirmative employment plan program element: Workforce/Recruitment and Hiring. AMS is also developing a new recruitment plan to incorporate tribal colleges in recruitment visits to increase the number of Native American employees.

**Program Evaluations:** None conducted during FY 1999.

**Management Initiative 2:** Encourage and reward prudent financial stewardship, accountability, and improved business operations.

#### Key Performance Goals

<u>Convert AMS accounting records to the new USDA Foundation Financial Information System (FFIS) by the end of FY 2002.</u>	
<b>Target:</b>	n/a
<b>Actual:</b>	n/a

Due to the timing of this project, there is no data available for this measure. AMS plans to begin planning for conversion in FY 2001 and will report progress against the goal when the information is available.

**Management Initiative 3:** Rapidly adopt and deploy appropriate, cost-effective technology.

#### Key Performance Goals

<u>Ensure that AMS technologies, including mission critical information systems, are certifiably Year 2000 compliant.</u>	
<b>Target:</b>	100%
<b>Actual:</b>	100%

**1999 Data:** All mission critical information systems and other AMS technologies were year 2000 compliant based on actual results.

**Analysis of Results:** AMS accomplished this goal.

**Current Fiscal Year Performance:** Since this objective has been accomplished, AMS will discontinue to report this performance measure for fiscal year 2000.

**Program Evaluations:** None conducted during fiscal year 1999.

## AGRICULTURAL MARKETING SERVICE

### DISCONTINUED PERFORMANCE MEASURES

**Goal 1:** Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

**Objective 4:** Implement national organic production and leveling standards, and implement an accreditation and certification program using those standards.

#### Discontinued Performance Measures

Organic Certification - Increase returns to producers and lessen international non-tariff barriers for organic products:  
Total sales of certified organic products

**Explanation:** AMS will review the performance measure and begin reporting against it once the program has been established and is in operation.

Microbiology Data Program - Gather microbiological data for use in resolving dietary health risk issues  
[No performance measure]

**Explanation:** AMS will establish a performance measure and begin reporting against that measure if funding is provided and the program is implemented.

TRANSPORTATION SERVICES - Provide technical assistance to shippers and carriers, provide economic analyses and recommend improvements to domestic and international agricultural transportation:  
Weighted average of transportation services customer satisfaction survey results

**Explanation:** The information necessary for Transportation Services measures is not available for FY 1999 and will not be available in the future. Clearance requirements prevent our conducting the annual customer satisfaction surveys necessary to accomplish this measurement.

Revised measure for Transportation Services has been submitted in the final 2000/2001 Annual Performance Plan. The new measure for this activity is based on projects completed. Program managers have determined that this is a better measurement of program performance and is verifiable.

WHOLESALE MARKET DEVELOPMENT - Provide technical advice and assistance on new or upgraded wholesale market facilities and research changes in the marketplace for future product development:  
Weighted average of wholesale market customer satisfaction survey results

**Explanation:** The information necessary for Wholesale Market Development measures is not available for FY 1999 and will not be available in the future. Clearance requirements prevent our conducting the annual customer satisfaction surveys necessary to accomplish this measurement.

The revised measure for Wholesale Market Development has been submitted in the final 2000/2001 Annual Performance Plan. The new measure for this activity will be based on projects completed. Program managers have determined that this will be a better measurement of program performance and is verifiable.

**Management Initiative 3:** Rapidly adopt and deploy appropriate, cost-effective technology.

**Key Performance Goals**

Ensure that AMS technologies, including mission critical information systems, are certifiably Year 2000 compliant.

**Target:** 100%

**Actual:** 100%

**Explanation:** This Management Initiative has been achieved. Therefore it will be discontinued in the FY 2000, since it will no longer be applicable.

**Discontinued Performance Indicators****Market News**

Number of Markets Covered

Buyers and Sellers Interviewed

Number of Federal Reporters

**Grading**

Cotton classed (thousand bales)

Poultry products graded or accepted (million lbs.)

Shell eggs graded or accepted (million lbs.)

Meat graded or accepted (million lbs.)

Fresh fruits, vegetables, and nuts inspected (million lbs)

Processed fruit and vegetables inspected

Dairy products graded (million lbs.)

Tobacco graded or inspected (million lbs.)

Laboratory testing (tests in thousands)

**Standards**

U.S. and International Standards at EOY

Number of Commodities covered

**Research and Promotion**

Research and Promotion Industry Expenditures (Dollars in millions):

Assessments Collected

Funds Expended

Number of Programs in effect



**Pesticide Data Program**

Number of analyses performed  
 Participating States  
 Number of commodities  
 Pesticides Required for Testing:  
     Fruits and Vegetables (full sampling or quick survey)  
     Milk  
     Grains (wheat and/or soybean)  
     Corn syrup  
     Oats  
     Peanut Butter  
     Poultry  
 Number of samples collected

**Microbiology Data Program**

Number of analyses performed  
 Participating States  
 Number of commodities  
 Microorganisms Tested--Fruits and Vegetables  
 Number of samples collected

**Payments to States and Possessions**

The total dollar amount of grant requests received (millions)

**Commodity Purchase Services**

Purchase contract bids received  
 Purchase contracts awarded

**Shell Egg Surveillance**

Egg handler surveillance visits  
 States and Commonwealths with cooperative agreements

**Pesticide Recordkeeping**

Number of States and territories with State/Federal inspections  
 Number of States with educational outreach to certified applicators  
 Number of State/Federal inspections being conducted

**Federal Seed Act Program**

Interstate enforcement:  
 Number of seed samples tested  
 Investigations completed  
 Investigations pending at end of year  
 Administrative actions completed  
 Administrative settlement pending

**Plant Variety Protection**

Pending applications, beginning of year  
 New applications received  
 Certificates issued  
 Applications abandoned  
 Pending applications, end of year

**Perishable Agricultural Commodities Act**

Licenses in effect, end of year  
Actions completed  
Reparations (dollars in thousands)

**Marketing Agreements and Orders**

Active agreement and order programs in effect (including peanut non-signer)  
Request received for new programs  
Hearings and Petitions  
Million tons regulated  
Value of producer deliveries/product value (million \$)

**Explanation:** AMS collects and uses agency performance indicators strictly for program management.